

## Press Release

### **New study: Online-TV market gains professionalism – increase of mobile usage**

Currently 1,424 online-TV services in Germany

*Munich/Berlin, December 11, 2012.* According to a new study on Internet TV, there are currently 1,424 online-TV services in Germany, with 194 million daily video hits. The number of people accessing videos has increased by about 17% compared to the previous year. The mobile use of online TV has also increased: Every fifth video hit occurs via mobile devices.

Having grown quantitatively, particularly in the past few years, the online-TV market is consolidating and gains continuing professionalism. In this context, providers rely on in-house-produced content. On average, 78% of the videos of an online-TV channel are in-house productions.

In order to make the market structure of the online-TV world more transparent, Berlin strategy consultant Goldmedia ([www.goldmedia.com](http://www.goldmedia.com)) was commissioned by BLM, the Bavarian Regulatory Authority for Commercial Broadcasting ([www.blm.de](http://www.blm.de)), to produce “Web TV Monitor 2012”. The study’s examination of the growth and use of online TV in Germany is based on a survey of primary data research on all German online-TV providers and the annual study is being published for the third year.

#### **Online-TV services: share of corporate TV and sub-brands of the traditional media increased**

Compared to 2011, the share of online-TV providers has not changed drastically (+0.4%). The traditional media’s video and online portals are still the category with the highest number of services, with a 46% market share. About one third (31%) are online-TV channels that are produced exclusively for the Internet – so-called “Internet-only channels”. Other online-TV services include corporate TV and video-shopping sites (11%), non-commercial online-TV channels (5%), media stores and video centers (combined 4%), and video-sharing platforms (2%).

While the number of Internet-only channels and online services of the traditional media, which increasingly include video content, has declined between 2010 and 2012, the number of corporate TV providers and sub-brands from traditional TV brands has grown.

#### **Online-TV usage: viewing records at live sports events**

The number of video hits has increased significantly. The services included in Goldmedia’s survey for “Web TV Monitor 2012” achieved a total of about 194 million video hits per day, or about six billion per month. At live sports events, such as the Olympic Games or the European championship 2012, new viewing records with live-streaming and catch-up TV could be recorded in the web.

According to the estimations of the surveyed online-TV providers already 451 million daily hits are expected in 2016, the rise in use infringing all platforms. In the field of Video on Demand (VoD) experts predict a stronger growth than the growth in linear online TV.

Furthermore, the average viewing duration has increased. For VoD it has risen from 9 minutes (2011) to currently 11 minutes, for live-streaming from 25 minutes to 28 minutes. This can be traced back to a growing number of long video content offered and the higher stability and therefore fewer interruptions during broadcasting.

### **Distribution channels for online TV: mobile access significantly growing, via Smart TV still slow**

Meanwhile, every second online-TV provider has a mobile app or an optimised website for mobile devices. Two thirds of the surveyed providers for the study think that online TV will be accessed via mobile devices in the future. Currently, according to provider information, 18% of the video hits are achieved via tablets and smartphones compared to only 11% in 2011. Until 2016, the providers expect a significant rise and a 38% share of hits.

Hybrid TV via home TV is also gaining significance for the market. While the number of total hits of online-TV services via smart or hybrid TV was merely 2% in 2011, there was a 5% share in 2012. The providers themselves predict a rise to 16%, which can be traced back to the spread of devices.

As part of the growing spread of internet-capable TV-sets, more and more online-TV providers enter the market with their own smart TV app. According to "Web TV Monitor 2012", 23% of the suppliers provide a smart TV app.

### **Social TV: three out of four online-TV providers have a Facebook site**

Still, the online-TV website itself is the most important point of contact for video users. While in 2011 three quarters (72%) of all videos of an online-TV channel were seen via this way, it is only 67% in 2012. Until 2016, online-TV providers expect a further decline to 61%. The declining significance of channel websites goes along with the increasing importance of social networks, particularly YouTube and Facebook. Altogether, they generated about 25% of the total hits in 2012 (status as of the beginning of October 2012). Until 2016, the providers expect an increase in hits to 29% via social networks.

Therefore, it is important for the online-TV providers to be present on all platforms. Merely 15% of the providers are not present on any of the social networks.

### **Economic situation: online-TV channels see higher marketing opportunities**

Currently, the online-TV channels' degree of cost covering is 71% (details for 2011). With this the relation of total sales and total costs is still highly negative.

95% of all recorded online-TV services are available for free. Only 61% of the online-TV services are financed by advertising. As a consequence, 34% are financed by alternative sources, partly by marketing budgets. On average, video ads contribute 37% to the total ad sales.

The marketing opportunities of online TV will continue to grow due to the increasing professionalisation of its content. However, the surveyed providers see the highest growing potential in the revenues of paid services. These should rise by 66% in 2016, in contrast to the ad revenues of the online-TV channels with a growth of only 52% per year.

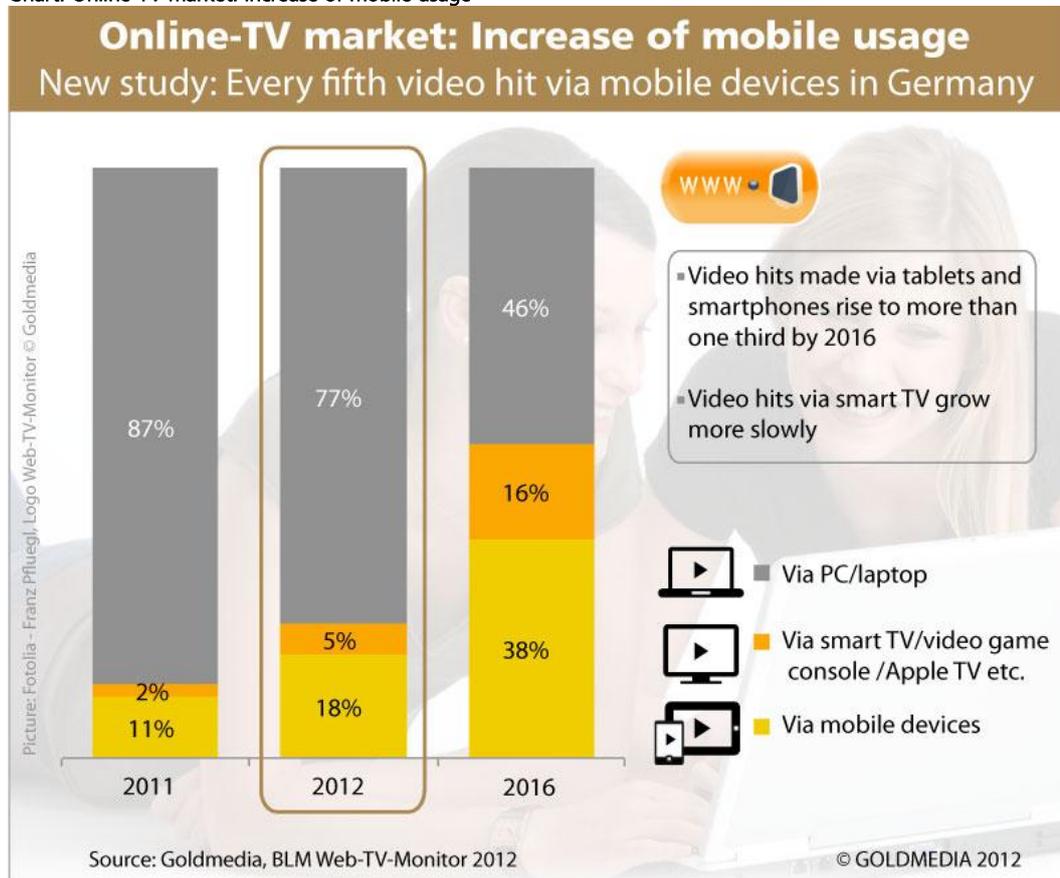
### **Research methods for "Web TV Monitor 2012"**

In surveying online-TV services for BLM's "Web TV Monitor 2012", Goldmedia laid out uniform criteria for online-TV services. Online-TV services were defined as those video services that were regularly updated, could be accessed via a standard web browser, targeted a German audience, and whose content was either primarily user

generated or licensed and in adherence with all legal standards (copyright, protection of minors).

For the primary data research conducted by Goldmedia from the middle of August to the beginning of October 2012, all online-TV providers were contacted with a survey.

**Chart: Online-TV market: Increase of mobile usage**



**Source: "Web TV Monitor 2012", BLM – Goldmedia**

Goldmedia conducted the study "Web TV Monitor 2012" on behalf of the Bavarian Regulatory Authority for Commercial Broadcasting (BLM). "Web TV Monitor 2012" is the third comprehensive market study on the German online-TV market with information on prevalence and use, ad forms and ad revenues, scope, and performance figures. The study is based on wide-reaching primary data research gained through survey of all online-TV providers (n=1,424) from the middle of August to the beginning of October 2012. The study contains analyses of the market and its potential as well as a categorisation of online-TV channels according to service type.

You can find further information at [www.webtvmonitor.de](http://www.webtvmonitor.de)

**The study can be accessed for free at:**

<http://www.webtvmonitor.de>

<http://www.blm.de>

<http://www.goldmedia.com>

**Press contact for Goldmedia GmbH**

Dr. Katrin Penzel, Tel: +49-30-246 266-0, [Katrin.Penzel@Goldmedia.de](mailto:Katrin.Penzel@Goldmedia.de), [www.Goldmedia.com](http://www.Goldmedia.com)

**Goldmedia:** Since 1998, Goldmedia has provided national and international clients with high-quality consulting and research services in the fields of media, entertainment and telecommunications. Goldmedia offers: in-depth analyses of markets and competitors; forecasts and strategic consulting services; the implementation of new business models; and consulting for restructuring whole companies, including M&A processes in the field of corporate finance. Goldmedia Group: Goldmedia GmbH Strategy Consulting, Goldmedia Marketing GmbH, Goldmedia Custom Research GmbH, Goldmedia Political & Staff Advising GmbH, Goldmedia Innovation GmbH and Goldmedia Consulting GmbH. The company's head office is in Berlin, Germany. More info is available at [www.Goldmedia.com](http://www.Goldmedia.com)